



ANNEX V TO THE SCOPE – X20 INCENTIVE SCHEDULE (KEY PERFORMANCE INDICATORS)

In order to further improve the performance of the project, a series of Key Performance Indicators (KPIs) will be applied across the project to measure performance of the *Contractor*. The KPIs will be sufficient to enable the *Client* to improve those aspects of project performance that are linked to their critical success factors. KPI's may be amended via instruction from the *Project Manager* as appropriate during the course of the *works*.

The following KPIs will be applied to this project:

- KPI 1 – Time – Achievement of Critical Milestones (**being Key Dates, Sectional Completion Dates and the Completion Date**)
- KPI 2 – Cost Predictability (Delivering costs on the basis of forecasts and as against the guaranteed maximum prices for each Works Package)
- KPI 3 – Quality (Design Reviews, Defect Quantity, Time to Correct, and Total number of Defects notified)
- KPI 4 – Health and Safety (Days lost and fatalities)
- KPI 5 – Sustainability [To be agreed following completion of Design Works Package]
- KPI 6 – Social Value [to be inserted into this schedule following agreement post-Contract Award and based on the Contractors Tender response to the Social Value Criteria]

The KPIs are categorised as follows:

- **Green:** sets out the target that resembles the optimal performance capable under the contract.
- **Amber:** sets out a moderate level of under performance, that must be improved upon within the prescribed timeframes.
- **Red:** sets out an unacceptable level of under performance.

Failure to achieve the 'Green Performance' target (or, where applicable, within the range) is then ranked as either 'Amber Performance' or 'Red Performance' based on the severity of the underperformance compared to the 'Green Performance' target.

A failure is deemed to be not achieving any of the prescribed 'Green Performance' targets defined in this Incentive Schedule.

For the avoidance of doubt, achievement of a "Green Performance" Rating **will not** result in any incentive payment to the Contractor.

Achieving a rating of Amber or Red throughout the course of the Contract, and that remain at that level with no improvement or advancement of this rating at the end of the Contract, shall lead to the *Project Manager* assessing the losses incurred by the *Client* as a result of the underperformance. In such a case, this will also lead to a relative reduction in the proportion of Shared Savings that may be due to the *Contractor*. These reductions are assessed by the *Project Manager* with consideration taken to the number of KPI failures, and their individual severity. This is in accordance with Clause 51.6 of the Contract.



Department for
Business & Trade

The *Contractor* will be responsible for ensuring all aspects of its supply chain comply with the achievement of the KPIs, and will be responsible for submitting timely and accurate reports on its performance against the KPIs.



Indicator Number	Aspect of performance	Key performance indicator description	Frequency of Measurement / Reporting	Measure	Green	Amber	Red
KPI-1	Time – Achievement of Critical Milestones	Change between the actual time taken to achieve the Critical Milestone Dates, defined under the Contract as Key Dates, Sectional Completion Dates and the Completion Date, and the deadlines stated within the Contract.	At the achievement of each Critical Milestone	No. Days (late)	0; being on time (or better)	1-14	14+
KPI-2	Cost Predictability - Design, Build, Maintain & Decommission	Change between the actual costs of the Design & Surveys, Construction, Fitout, Maintenance and Decommission <i>Works Packages</i> (the “DBMD Costs”) at the <i>Completion Date</i> and the guaranteed maximum price agreed at Tender and included within the Contract for each of the respective <i>Works Packages</i> (and as amended through compensation events), expressed as a percentage increase of the guaranteed maximum price. (Any percentage decrease (i.e., a saving) shall be considered a Green Rating).	At the Completion Date	Percentage variance from guaranteed maximum price	0%	1-10%	10%+



KPI-3.1	Quality – Number of Design Reviews required	<p>The number of reviews (attempts) the <i>Contractor's</i> Design takes to receive approval by Expo and/or Local Authorities at either stage (General and Final) in order to enable commencement of construction. An “attempt” at gaining approval will be inclusive of any clarification period with Expo or the Authorities, and will be considered a new “attempt” if it has to be completely resubmitted.</p> <p>This KPI will be measured at General Design and at Final Design Approval Stages.</p>	At the completion of General Design and then again at Final Design	No. of reviews necessary to achieve approval	1	2	3+
KPI-3.2	Quality – Defects at Handover	<p>The number of Emergency, Urgent, Routine or other Defects that remain at the Key Date for the Client's early possession to the UK Pavilion for operations training and test events AND those still remaining at the Sectional Completion date for Construction completion</p> <p>It will be for the <i>Project Manager</i> to define what category a <i>Defect</i> falls into.</p>	The number of <i>Defects</i> will be measured on the <i>Partial Handover Date</i> , and then again at the <i>Full Handover Date</i> . Those <i>Defects</i> that remain will then be measured under this KPI	No. of outstanding defects (all categories)	Emergency – 0 and/or Urgent – 0 and/or Routine – 0-5 Other Defects – 0-5	Emergency – 0 and/or Urgent – 1 and/or Routine – 0-5 Other Defects 6-9 6-9	Emergency – 1 and/or Urgent – 2-3 and/or Routine – 10+ Other Defects 10+
KPI-3.3	Quality - Attendance to, and resolution	The proportion of Routine, Urgent, Emergency and other Defects attended to within the specified timescales below,	Monthly	Percentage of notified defects	Emergency – 100% and/or	Emergency – 99% and/or	Emergency – 99% and/or



	<p>of, routine, urgent, and emergency <i>Defects</i> (as defined within Clause 11.2(6))</p>	<p>expressed as a percentage of all Routine, Urgent, Emergency and other <i>Defects</i>. These timescales will be measured from the point the relevant maintenance person/team is notified or becomes aware of the <i>Defect</i>.</p> <p>Timescales:</p> <ul style="list-style-type: none"> • Emergency – make safe within ten (10) minutes and rectify within two (2) hours • Urgent – make safe within thirty (30) minutes and rectify within four (4) hours • Routine – make safe within one (1) hour and rectify within four (4) hours • Defects – make safe within one (1) hour and rectify within the <i>defects correction period</i> 	<p>Measured as a percentage of <i>Defects</i> rectified within the timescales out of the total number of <i>Defects</i></p>	<p>corrected on time</p>	<p>Urgent – 100% and/or Routine – 90% and/or Other Defects – 90%</p>	<p>Urgent – 97% and/or Routine – 85% and/or Other Defects – 85%</p>	<p>Urgent – 95% and/or Routine – 80% and/or Other Defects – 80%</p>
KPI-3.4	<p>Quality - Issues at the <i>Sectional Completion</i> of the Maintenance Works Package</p>	<p>The number of outstanding Emergency or Urgent <i>Defects</i> at the <i>Sectional Completion</i> of the Maintenance Works Package and before the commencement of the <i>Decommissioning Works Package</i>.</p>	<p>At the <i>Sectional Completion</i> of the Maintenance Works Package</p>	<p>No. of outstanding defects</p>	<p>0</p>	<p>1-5</p>	<p>5+</p>



KPI-4.1	Health & Safety – Actual Injuries & Near Misses	Cumulative number of actual injuries and near-misses	Monthly	No. of reported or notified instances	Actual Injuries = 0 and/or Near-misses = 0	Actual Injuries = 0 and/or Near-misses = 1	Actual Injuries = 1 and/or Near-misses = 2
KPI-4.2	Health and Safety – Fatalities	Cumulative number of fatalities In order to achieve Green, this has to be zero (0).	Monthly	No. of fatalities	0 (Zero)	There is no amber rating for this KPI	1 or more
KPI-5	Sustainability	[FOLLOWING COMPLETION OF THE DESIGN WORKS PACKAGE, THE CLIENT AND CONTRACTOR WILL AGREE A SUSTAINABILITY KPI BASED ON THE CONTRACTORS SOLUTION]	[TBC]		[TBC]	[TBC]	[TBC]
KPI-6	Social Value	[THE CONTRACTOR SUBMITTED A NUMBER OF KPIs IN ITS TENDER RESPONSE – FINAL SOCIAL VALUE KPI WILL BE AGREED POST-CONTRACT AWARD AND INPUT ONCE AGREED]	[TBC]		[TBC]	[TBC]	[TBC]